

What Should You Do When Facing Home Foreclosure?



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Unfortunately, for some reason – job loss, health issues, divorce or other unexpected crisis – you just can’t make the mortgage payment.

What should you do?

According to the experts, the **first** thing you should do is contact your lender. Let them know the difficulties you are facing and find out what can or cannot be done to address the situation. Foreclosure victims often fail to make that call.

When facing a financial crisis, experts tell us to direct as much money as possible to secured debts, such as your mortgage payment. If you must miss a credit card or utility payment, do so. The first rule is to protect your home. Consider visiting a food bank **before** you deplete all of your cash, forcing you to miss a house payment. Wishing the problem away just won’t work. The end result will be to lose your home.

Typically, lenders do not want your home. They want your house payments. Foreclosure proceedings are court actions involving lawyer’s fees, and they cost lenders a lot of money. Often it is in everyone’s interest to agree on new terms that modify the

Yet nothing starts without your phone call. Some mortgage companies immediately turn your account over to a collection agency. If possible, try to avoid that by going right to the current mortgage company’s “Loss Mitigation” or “Foreclosure Prevention” department if the mortgage terms become unmanageable.

Ask them to send a “work-out” packet to update your financial information, including income, expenses, and other debts. If you qualify, several options may be available, according to the Columbus Housing Partnership:

- ❖ Forbearance Agreement – This is a written repayment plan based on your current financial status. You make your regular payment, plus part of what you owe, until you catch up. Some lenders suspend payments for a month or two.
- ❖ Mortgage Modification – The lender may extend the timing on the mortgage loan out over a new thirty-year period and/or reduce your monthly payment.
- ❖ Partial Claim – If you have an FHA loan, HUD may consider lending you the money to catch up on what you owe by means of an interest-free loan that you will pay back when you sell the property or pay off your first mortgage.
- ❖ Pre-Foreclosure Sale – You may be allowed to sell the property for less than the mortgage balance. This affects your credit less than an actual foreclosure.
- ❖ Deed-In-Lieu of Foreclosure – As a last resort, it may be best to give the house back to the lender. This is better for your credit than an actual foreclosure.

Since foreclosures hurt the community, various entities have come forward to offer help. There are HUD-approved housing counselors in Ohio.

These agencies will review alternatives to foreclosure and advise you on budgeting and debt management. They will work with the bank and creditors to save your home.

For Mahoning County here are the HUD-approved housing counselors:

CCCS OF THE MIDWEST
8261 Market Street, Suite K
Boardman, Ohio 44512
P: 800-355-2227
F: 614-552-4800
E: info@cccservices.com
W: www.cccservices.com/home.asp

CATHOLIC CHARITIES HOUSING OPPORTUNITIES
225 Elm Street
Youngstown, Ohio 44503-1005
P: 330-744-8451-326
F: 330-742-6447
E: ggarchar@youngstowndiocese.org

CATHOLIC CHARITIES REGIONAL AGENCY
2401 Belmont Ave.
Youngstown, Ohio 44505
P: 330-744-3320
T: 800-670-6089
F: 330-744-3677

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
131 West Boardman Street
Youngstown, Ohio 44503
P: 330-744-2161-240
F: 330-742-4826
E: cscott@ymhaonline.com
W: www.ymhaonline.com

Or contact HUD at 1-800-569-4287 or visit their website www.hud.gov.

You are perfectly capable of negotiating with your mortgage company to seek more favorable terms.

Another resource for Ohioans facing foreclosure is the Save the Dream: Ohio's Foreclosure Prevention Effort. Save the Dream provides information and highlights programs you can use to help save the dream of homeownership. You can learn about available resources, the value of working with local housing counselors, and the importance of contacting your mortgage servicer. Those that are in danger of losing their homes should contact the Save at 1-888.404.4674 or www.SavetheDream.ohio.gov.

This toll-free hotline is open Mon-Fri 7:00 a.m. to 7:00 p.m. It will connect you with a local HUD-approved housing counseling agency or legal aid assistance in your area. Housing counselors understand your situation and can help you sort through your options. Also, qualified homeowners will be connected with a local legal aid program to be matched with an attorney.

**For more information, please see
the Mahoning County Auditor's
website at
www.auditor.mahoningcountyoh.gov
or call us at 330-740-2010
or contact
the Attorney General's Office
at 1-800-282-0515
www.ohioattorneygeneral.gov**

DO NOT IGNORE letters from your creditors and **BEWARE OF SCAMS.**

- ❖ Be Aware that disregarding legal notices may force a foreclosure.
- ❖ Be Aware that solutions sounding too good to be true usually are.
- ❖ Be Aware of predatory lending and don't fall victim to it. Check the terms and conditions of a loan offer against other competing offers.
- ❖ Be Aware of unscrupulous people who will take advantage of your troubles.
- ❖ Be Aware of phony counseling agencies that charge exorbitant fees to perform services you can do for yourself.



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